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February 24, 2020

BY CM/ECF

Judge Lewis J. Liman
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St.
New York, NY 10007-1312

Re: *Eastern Profit Corp. Ltd. v. Strategic Vision US LLC*,
C.A. No. 18-cv-2185 (JGK)

Dear Judge Liman:

The parties, Eastern Profit Corporation Limited (“Eastern”) and Strategic Vision US LLC (“Strategic”), write in response to the Court’s February 12, 2020 Order (Dkt. No. 256) rescheduling the February 24, 2020 conference to March 2, 2020 and requiring the parties to submit a joint letter regarding the status of this action by February 24, 2020. Generally speaking, this action is now entering the summary judgment stage. Discovery has concluded, there are no dispositive or non-dispositive motions pending, and the parties are prepared to proceed with the filing of summary judgment motions consistent with the proposed briefing schedule set forth in the parties’ joint January 31, 2020 letter (Dkt. No. 249).

Further information regarding the status of this action is provided below, consistent with the five topics outlined in the Court’s Order.

1. **Brief Statement of Nature of Case**

Eastern brought suit against Strategic on March 12, 2018 with respect to a written Research Agreement entered into between Eastern and Strategic on January 6, 2018 (the “Research Agreement”), under which Strategic agreed to provide Eastern with certain research and advisory services. *See* Dkt. No. 19. Through its lawsuit, Eastern primarily seeks to recover a \$1 million deposit that it paid to Strategic pursuant to the Research Agreement, plus pre- and post-judgment interest.

Philadelphia	Boston	Washington, D.C.	Los Angeles	New York	Pittsburgh	Detroit
Berwyn	Harrisburg	Orange County	Princeton	Rochester	Silicon Valley	Wilmington



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In an attempt to recover the deposit, and as set forth in Eastern's Second Amended Complaint (*see* Dkt. No. 93), Eastern asserts four causes of action against Strategic. Eastern's first count is for breach of contract. In that count, Eastern alleges that Strategic breached the Research Agreement by failing to provide the research deliverables called for under the Research Agreement. Eastern's second count is fraudulent inducement. In that count, Eastern claims that Strategic fraudulently induced Eastern to enter into the Research Agreement by misrepresenting its research capabilities to Eastern.

Eastern's third count is a declaratory judgment count seeking an order declaring the Research Agreement void as against public policy. Specifically, Eastern alleges that Strategic Vision solicited, agreed to provide, and did in fact provide private investigation services to Eastern without a license in contravention with applicable state law, and that as a result, the Research Agreement is void and unenforceable. Finally, Eastern's fourth cause of action seeks recovery of the \$1 million deposit that was paid to Strategic pursuant to the Research Agreement under an unjust enrichment theory.

Strategic has filed counterclaims against Eastern in this action. As set forth in Strategic's Amended Answer and Counterclaims (Dkt. No. 127), Strategic asserts two counterclaims against Strategic. Strategic's first counterclaim is for breach of contract. In that count, Strategic claims that Eastern agreed to pay to Strategic a fee of \$750,000 per month for Strategic's work under the Research Agreement and that Eastern breached the Research Agreement by failing to pay such amount for the time period of January 16, 2018 through March 21, 2018, and otherwise breached implied covenants in the Agreement, including the implied covenant of good faith and fair dealing.

Strategic's second counterclaim is for fraudulent inducement. In that count, Strategic alleges that Guo Wengui (a/k/a Miles Kwok), in negotiating the Research Agreement on behalf of and with authority from Eastern, falsely represented to Strategic that he "was a Chinese dissident," that "he opposed the Chinese Communist Party," and that "he was actively working to find and publicize research regarding key Chinese leaders that he would then use to weaken the Chinese regime and support a move to a more democratic and U.S.-friendly regime."¹

2. All Existing Deadlines

Prior to Your Honor being assigned this case, the only deadline pending in this action was the February 24, 2020 pre-motion conference. The purpose of that conference was to discuss the parties' proposed summary judgment motions and the briefing schedule that the parties proposed to govern such motions. *See* Dkt. Nos. 250, 253. Your Honor has rescheduled that conference to take place on March 2, 2020 at 10:00 a.m. The parties respectfully request that, in

¹ In a prior version of its Answer (Dkt. No. 47), Strategic also asserted various third party claims, which as explained below, have been dismissed by the Court. Dkt. No. 96.



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addition to the matters that the Court wishes to cover at the conference, the Court also address the parties' proposed summary judgment briefing schedule, which is set forth in the parties' January 31, 2020 joint letter requesting a pre-motion conference. *See* Dkt. No. 249.

3. **Brief Description of Motion Practice**

On August 8, 2019, the Court referred this case to Magistrate Judge Freeman for general pretrial purposes, including discovery. *See* Dkt. No. 128. As of this date, all discovery motions brought before the Magistrate Judge have been resolved.

On April 18 and April 26, 2019, Strategic submitted letters for pre-motion conferences (*see* Dkt. Nos. 90, 92) for the purpose of filing motions to dismiss Eastern's First Amended Complaint under Fed. R. Civ. P. 12(b)(6). In response, Eastern proposed a Second Amended Complaint, which the Court deemed filed on May 8, 2019 and which is Eastern's current operative pleading. (Dkt. No. 93). Strategic's Amended Answer and Counterclaim to that Second Amended Complaint (Dkt. No. 126) is Strategic's current operative pleading.

In a prior version of Strategic's Answer (Dkt. No. 47), Strategic had asserted breach of contract, promissory estoppel, and tortious interference third party claims directly against Guo Wengui. Mr. Guo filed a motion to dismiss those claims on November 29, 2018 (Dkt. No. 65). On May 13, 2019, the Court dismissed Strategic's third-party claims against Guo without prejudice (Dkt. Nos. 96, 97).

There are no motions pending or awaiting decision and there are no pending appeals.

4. **Status of Discovery**

Discovery has now concluded, except that Strategic is continuing to receive productions from non-parties pursuant to non-party subpoenas duces tecum served before the discovery deadline, and is making those productions available to Eastern. These productions should be complete within the next two to three weeks.

5. **Status of Settlement Discussions**

Both parties believe that settlement discussions are very unlikely to be fruitful until the Court issues a decision on the parties' respective summary judgment motions. In that vein, earlier in the case, Judge Koetl cancelled a scheduled settlement conference because the parties agreed that the conference would not have been productive.

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We look forward to addressing these issues, including the parties' proposed summary judgment motions and the parties' proposed schedule to govern such motions during the March 2, 2020 conference.

Respectfully submitted,

/s/ Joanna J. Cline

Joanna J. Cline

cc: All Counsel of Record (By CM/ECF)